VMRII-VRO CHECKLIST –
1099 – CORRECTING REPORTABLE PAYMENTS
ON A NON REPORTABLE LOCATION

Guideline Reference – *Correcting Reportable Payments on a Non Reportable Location*

Narrative – No matter how hard a VMR tries to set up a vendor for proper 1099-MISC reporting, voucher users will often choose the wrong location for their payments. If a voucher was paid on a vendor location that is not set up for reporting and that payment should be reported on a 1099-MISC, please follow the steps below to correct it.

Step 1. Is there a location currently set up on the vendor that should have been used instead?

A. If "YES," go on to Step 2 on the next page.

Example: A vendor was already set up with two locations, one for reportable payments and one that was set up for special payments that are not reportable. A payment was made on the wrong location.

B. If "NO," set up a new location on the vendor that contains all withholding information. Use one of the examples below, then go on to Step 2.

Example 1: An individual has been receiving reimbursements only, so the vendor was never set up for 1099 reporting. Now that vendor has been paid for services rendered.

1) First set up a new address with "CHOOSE THE CORRECT LOCATION" as Address line 1. The address description should be "MAIN." The other address description can be changed to the city where the payments go.

2) Set up two new locations.

a. One called "1099" with the description of "1099 REPORTABLE PAYMENTS." This location should contain the vendor's TIN, the withholding class, etc. Be sure to use the actual address in the withholding screen.

b. The third location should be called "REMIT" or something similar. The description should say "NON REPORTABLE PAYMENTS ONLY." The will be no withholding information added to this location.

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3) Add a new effective-dated row to the MAIN location and attach the new address that says "Choose the correct location." This will force voucher users to select the proper location for their type of payment. There should be no withholding information set up on this MAIN location.

Example 2: Just set up the entire vendor for 1099 reporting. If any vouchers contain reimbursements, the users can simply remove the withholding checkmarks from within the voucher.

Step 2.   A withholding adjustment needs to be made in the 1099 processing screens.

A. Using the Withholding Adjustment link, add a new process for the vendor and the reportable location.

B. Use the dollar amount and date of the voucher as it should have shown.

C. Do not worry about correcting the payment made on the non reportable location, since none will show up.

D. Run the inquiry 'Vendor Balances by Class' the next day to see if the amount appears. If necessary, the '1099 To Send Detail' report can be run to guarantee the amount will appear on a 1099.